



JIM DOYLE
GOVERNOR
STATE OF WISCONSIN

May 26, 2006

TO THE HONORABLE MEMBERS OF THE ASSEMBLY:

I am vetoing Assembly Bill 4. This bill adopts the federal tax treatment of contributions to health savings accounts (HSAs). AB 4 would apply retroactively to tax year 2004.

As I have in the past, I am vetoing these HSA provisions. HSAs are inextricably linked to high deductible medical insurance and, therefore, could decrease employer-sponsored insurance coverage. Additionally, HSAs are only viable for healthy persons with higher incomes. As healthy individuals with higher incomes opt out of traditional insurance pools, the risk profiles of these existing health plans will worsen, which in turn will cause insurance companies to raise rates on remaining members likely to be those without any other options.

Finally, AB 4 is an expensive bill without a clear and demonstrated benefit for the residents of this state as a whole. The bill would cost taxpayers \$50 million, but wouldn't help a single Wisconsin family get health insurance. It's a windfall for wealthy and healthy individuals, but lower and middle-income families would still be struggling to find affordable insurance.

In order for me to consider signing these provisions into law, I believe HSAs must be taken up in the context of a comprehensive health care package that would effectively and affordably address the health care needs of seniors, children, and middle- and low-income families.

Respectfully submitted,

JIM DOYLE
Governor